

Raw Material Procurement Policy for Forest Protection of triacetate fiber, Soalon TM

updated March 2025

“Soalon TM” is the only one triacetate yarn in the world, produced from natural wooden pulp by SOALON Corporation.

SOALON Corporation is committed to making responsible use of wood-derived raw materials for the production of Soalon in accordance with the following policies.

Concervation of Ancient & Endangered Forests (i) and ecosystems

1. All wood-derived raw materials are prioritized to be procured from suppliers that have obtained FSC TM certificates under Forest Stewardship Council TM. FSC COC and FSC certified plantations are part of the solution.
2. Soalon is the only triacetate fiber in the world, and the amount of wood fiber used as a raw material for Soalon accounts for a very small amount of the total MMCF. Therefore, regarding wood pulp as a raw material, it is recommended to preferentially use timber offcuts left over after wood has been used for furniture and building materials without discarding.
3. Prohibit the procurement of wood harvested from forests of high conservation value, and wood harvested from ancient and endangered forests such as Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa, or endangered species habitat.
4. Prohibit sourcing from companies engaged in illegal logging of forests(ii) or procured from plantations(iii) established after 1994 through the conversion or simplification of natural forests, and do not procure from areas where logging violates the rights of indigenous peoples or local communities.
5. If any forest-derived raw materials are found to be procured from threatened ancient forests, endangered species habitats, or by illegal logging, investigate their supply chains, encourage them to change their procurement methods, and, in some cases, review our business relationships with those suppliers.
6. The above-mentioned efforts will be collaborated with our suppliers and Canopy, an NGO aiming at forest protection, to promote sustainable forest management and the protection of forests that have long been in danger.

Where appropriate, we will support collaborative and visionary system solutions that protect remaining ancient and endangered forests.

Recognizing, respecting and upholding human rights and the rights of local communities

SOALON Corporation expects all suppliers to respect the Universal Declaration of Human Rights and to grant access to controlled areas, land and resources to which indigenous peoples and local communities have been granted by laws and customs. To this end, SOALON Corporation supports the rights of indigenous peoples to obtain voluntary, prior, informed consent (FPIC) prior to allocating new logging rights and developing plantations. Suppliers are required to resolve and correct any complaints, disputes, or human rights violations through an agreed-upon process that is transparent and accountable.

Reduction of Greenhouse Gas Emissions

SOALON Corporation recognizes the importance of forests as carbon reserves and supports efforts to reduce the loss of carbon-valued forests. For this reason, we will prioritize transactions with suppliers that take the opportunity to avoid harvesting in the region and that adopt strategies to actively and effectively reduce greenhouse gas emissions.

Innovative and Alternative Fiber Development

We will explore and encourage the development of products using sustainable raw materials (iv) and manufacturing process, in collaboration with our suppliers.

Transparency, Traceability and Verification

We will ensure the transparency & traceability of our own operations and supply chains and will identify the origin of our raw material sourcing, including pulp and original wood material. We have completed a third-party verification of our operations and supply chain with the goal to be verified low risk of sourcing from Ancient & Endangered Forests by 2020.

Pollution prevention

We give maximum consideration to the environmental impact of the acetate fiber manufacturing process. Regarding air and water emissions that affect environmental quality, as well as complying with laws and regulations, we prioritize ensuring safety in manufacturing and confirm through third-party(v) audits.

Leadership in the industry

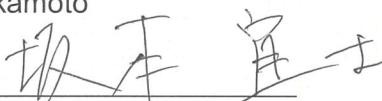
The corporate "Purpose" of GSI Creos Corporation, the parent company of SOALON Corporation, is "As a «Business Producer» seeking quality of life for the next generation, we realize the happiness of all the people". Based on this "Purpose", GSI Creos Corporation has adopted the corporate message of "Produce the Future" and is aiming for a future in which all "people," "goods," and "environments" related to our business exist together in harmony. Following this philosophy, SOALON Corporation has adopted the message of "Weave a new story with Soalon," and aims to contribute to the resolution of environmental and social problems as well as the sustainable development of society and the earth through its corporate activities.

<https://www.gsi.co.jp/en/campany/philosophy.html>

Please refer to the GSI Creos Corporation website for information on the Group's efforts to realize a sustainable society.

<https://www.gsi.co.jp/en/sustainability.html>

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Footnotes

i Ancient and Endangered Forests

Ancient and endangered forests are defined as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity. Ecological components of endangered forests are: Intact forest landscapes; Remnant forests and restoration cores; Landscape connectivity; Rare forest types; Forests of high species richness; Forests containing high concentrations of rare and endangered species; Forests of high endemism; Core habitat for focal species; Forests exhibiting rare ecological and evolutionary phenomena. As a starting point to geographically locate ancient and endangered forests, maps of High Conservation Value Forests (HCVF), as defined by the Forest Stewardship Council (FSC), and of intact forest landscapes (IFL), can be used and paired with maps of other key ecological values like the habitat range of key endangered species and forests containing high concentrations of terrestrial carbon and High Carbon Stocks (HCS). (The Wye River Coalition's Endangered Forests: High Conservation Value Forests Protection – Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Stritholt,

President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). Key endangered forests globally are the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peat lands of Indonesia, the Amazon and West Africa. For more information on ancient and endangered forests, please go to: <https://canopyplanet.org/tools/forestmapper/>

• **Intact Forest Landscape (IFL)** : IFL is an unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity, and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained. (<http://www.intactforests.org/world.map.html>)

• **the Coastal Temperate Rainforests of Vancouver Island and Great Bear Rainforest** : Coastal temperate rainforests originally covered 0.2% of the planet, and now less than 25% of these forests remain in their original state. A legal conservation plan is now finalized for the Great Bear Rainforest a region of 6.4 million hectares within the Coastal Temperate Rainforest zone of British Columbia Canada. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced an Ecosystem-based Management framework that sets 85% of this region off limits to logging and stringent logging rules in the other 15%. Provided these agreements are fully implemented – sourcing from this ancient and endangered forest region can be considered to be within sustainable levels. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification by the logging tenure holders in the region.

• **Canada's Boreal Forest** : Canada's Boreal Forest contain the largest source of unfrozen freshwater world wide and are part of the world's largest terrestrial carbon sink – equivalent to 26 years worth of global fossil fuel use. Canopy is committed to working collaboratively on the establishment of new protected areas, the protection of endangered species and the implementation of sustainable harvesting in Canada's Boreal Forest. This region is slated for the largest increase in mills for dissolving pulp that goes into cellulose-based fabrics.

• **Indonesia's Rainforests** : Indonesia experiences the second highest rate of deforestation among tropical countries, with the island of Sumatra standing out due to the intensive forest clearing that has resulted in the conversion of 70% of the island's forested area (FAO Forest Assessment 2010; Margono, B.A. et al. 2012). Indonesia is home to 10% of the world's mammals, 16% of bird species, 11% of plant species and 70 tons of carbon. Canopy and their NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem – the last place on earth where orangutans, tigers, elephants, rhinoceros and sun bears still co-exist.

ii Legal Forest Management

Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

iii Plantations area

areas that have been “established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests”. Plantations prior to 1994 are often FSC certified. Source FSC: <https://ic.fsc.org/en/document-center/id/335>

iv sustainable raw materials

Considering the use of recycled raw materials, etc.

v bluesign approved

The acetate fiber manufacturing plant has been certified by bluesign® technologies ag, an international environmental certification organization, for reducing environmental impact and improving safety for the human body in terms of the environment, labor and consumers.